



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4511

Introduced 1/26/2026, by Rep. Joe C. Sosnowski

SYNOPSIS AS INTRODUCED:

35 ILCS 5/1101

from Ch. 120, par. 11-1101

Amends the Illinois Income Tax Act. Provides that, if a late discretionary hearing for a revised final assessment has been granted after a lien has attached, then the lien shall remain in full force except to the extent to which the final assessment may be reduced by a revised final assessment following the hearing or review. Effective immediately.

LRB104 16361 HLH 29748 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 1101 as follows:

6 (35 ILCS 5/1101) (from Ch. 120, par. 11-1101)
7 Sec. 1101. Lien for Tax.

8 (a) If any person liable to pay any tax neglects or refuses
9 to pay the same after demand, the amount (including any
10 interest, additional amount, addition to tax, or assessable
11 penalty, together with any costs that may accrue in addition
12 thereto) shall be a lien in favor of the State of Illinois upon
13 all property and rights to property, whether real or personal,
14 belonging to such person.

15 (b) Unless another date is specifically fixed by law, the
16 lien imposed by subsection (a) of this Section shall arise at
17 the time the assessment is made and shall continue until the
18 liability for the amount so assessed (or a judgment against
19 the taxpayer arising out of such liability) is satisfied or
20 becomes unenforceable by reason of lapse of time.

21 (c) Deficiency procedure. If the lien arises from an
22 assessment pursuant to a notice of deficiency, such lien shall
23 not attach and the notice referred to in this Section shall not

1 be filed until all proceedings in court for review of such
2 assessment have terminated or the time for the taking thereof
3 has expired without such proceedings being instituted. If a
4 late discretionary hearing has been granted pursuant to
5 subsection (d) of Section 908 of this Act after a lien has
6 attached, that lien shall remain in full force except to the
7 extent to which the final assessment may be reduced by a
8 revised final assessment following the hearing or review.

9 (d) Notice of lien. The lien created by assessment shall
10 terminate unless a notice of lien is filed, as provided in
11 Section 1103 hereof, within 3 years from the date all
12 proceedings in court for the review of such assessment have
13 terminated or the time for the taking thereof has expired
14 without such proceedings being instituted. Where the lien
15 results from the filing of a return without payment of the tax
16 or penalty shown therein to be due, the lien shall terminate
17 unless a notice of lien is filed within 3 years from the date
18 such return was filed with the Department. For the purposes of
19 this subsection (d), a tax return filed before the last day
20 prescribed by law, including any extension thereof, shall be
21 deemed to have been filed on such last day. The time limitation
22 period on the Department's right to file a notice of lien shall
23 not run (1) during any period of time in which the order of any
24 court has the effect of enjoining or restraining the
25 Department from filing such notice of lien, or (2) during the
26 term of a repayment plan that taxpayer has entered into with

1 the Department, as long as taxpayer remains in compliance with
2 the terms of the repayment plan.

3 (Source: P.A. 97-507, eff. 8-23-11; 98-446, eff. 8-16-13.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.